

Standards Development Opportunity: Green bonds -- Environmental performance of nominated projects and assets

The United States will lead new standardization work in the International Organization for Standardization (ISO) on green bonds that will be focused on harmonizing multiple definitions of green bonds and specifying requirements for nominating projects and assets for funding; eligibility, use of proceeds; disclosure requirements; and assurance options.

Increasingly, the deployment of capital to improve environmental outcomes will be issued as debt obligations that are sold to investors as “green” bonds. The issuers of such bonds are already rated for credit worthiness by a credit rating agency. Recipients will also be evaluated, either by a second-party evaluator or by a third-party verification body, for their ability to deliver promised environmental benefits. Annual issuance of labeled green bonds tripled in 2014 to reach \$36.6 billion. It reached \$50 billion in 2015 and exceeded \$80 billion in 2016. This work aims to harmonize the assessment of green bonds to eliminate confusion in the marketplace.

Commerce’s Office of Standards and Investment Policy (OSIP) and the American National Standards Institute (ANSI) are teaming up to alert U.S. parties so they may have the chance to comment on this standards development, and become involved in the U.S. committee developing the standard.

Comments on the U.S.’s proposal must be submitted by close of business on **July 26, 2017** to Julie Sharp at ASQ, (jsharp@asp.org). Contact Renee Hancher in ITA (Renee.Hancher@trade.gov) with any questions.

The full proposal can be found at:

<https://share.ansi.org/Shared Documents/News and Publications/Links Within Stories/Green Bonds ISO NWIP.pdf>

The scope of work as proposed by the United States is:

This International Standard specifies eligibility requirements and defines procedures for evaluating the environmental performance of green bonds. It defines requirements for green bonds monitoring and disclosure and provides guidance on assurance methods.

Intended users of the standard include issuers of debt obligations, legal advisors who create disclosure documents, underwriters who market green bonds, and investors who make investment decisions based not only on the creditworthiness of the debt issuer but also on the environmental benefits that the deployed capital will generate. This standard will ensure transparency for investors when they evaluate the environmental performance of specific debt issuances.

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About STANDARDS ALERT

Standards Alert is a service from ITA in cooperation with ANSI, the private sector coordinator of the U.S. Standards system, to ensure ITA clients know about opportunities to participate in standards development.

For background, the following link provides an overview of the U.S. standardization system and how it relates to international standards development http://www.ansi.org/standards_activities/overview/overview.aspx.

Have an idea for a future edition of STANDARDS ALERT? Contact Mike Boyles at 202-482-1935 (Michael.Boyles@trade.gov).



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